



Delhi Policy Group

Advancing India's Rise as a Leading Power



GLOBAL HORIZONS

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Cover Images:

1. Prime Minister Narendra Modi addressing the 26th Meeting of the Council of Heads of State of the SCO in Bishkek, Kyrgyzstan, on September 1, 2026. Source: [X/PIB](#)
2. National Security Advisor Ajit Doval met with Vice President Han Zheng of the People's Republic of China, prior to the 25th round of talks between the two countries' special representatives on the boundary question in Beijing. Source: [X/@China Amb India](#)
3. Prime Minister Narendra Modi visited Tashkent from August 29 to 30, 2026, where he held high-level delegation talks with Uzbekistan President Shavkat Mirziyoyev to strengthen bilateral cooperation. Source: [X/@narendramodi](#)

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by

Nalin Surie

Not surprisingly, the actions of the current US Administration continued during the month to negatively impact international political, economic, technological and security relations. It can justifiably be argued that the US effort is to try and sustain or re-establish US domination in a world that has drastically changed since the end of the Cold War and especially since the turn of the century. Ironically, these efforts are proving to be counter productive but this is seemingly having no impact on the continued meandering of US policies. Nor is the obvious loss of allies and lack of trust in the international community for the US. An unabashed neocolonial approach is being adopted in the Western Hemisphere and elsewhere. Even lip service is not being paid to values, ethics and established international law. This represents a particularly difficult challenge to the countries of the Global South.

China claims equality of status with the US but is unwilling or unable, except on narrow trade issues, to challenge the US, and that too for tactical gain. Russia has tied itself into knots with its folly in Ukraine and can only seek succour from both China and the US. Interestingly, the US, whether under Biden or Trump, does not want Russia defeated in Ukraine. That essentially leaves Europe holding out for a beleaguered Kiev.

In the midst of this, the Chinese have begun to float the concept of a China-Russia-US dialogue. This is obviously self serving, but also reflects how China sees this as an opportunity to be seen to lead the world out of the present day scenario dotted with serious conflicts in Europe, the Gulf and in Africa, with each of them seriously impinging on Chinese interests. It remains to be seen if the US will take the bait, or for that matter will Russia. Any such trilateral arrangement among these permanent members of the UNSC and principal nuclear weapon states, and the two largest economies and one energy rich and technologically developed state, bodes ill for multilateralism and multipolarity and for evolving plurilateral arrangements such as SCO and BRICS, of both of which China is a founding member.

The stalemate in the Iran war continued. Unwilling to acknowledge that virtually none of its stated objectives had been fulfilled, and that the military situation was at best stalemated, the Trump administration changed tack and began the imposition of additional economic sanctions on Iran intended to collapse the Iranian economy and build domestic resistance to the regime. The likelihood of this policy succeeding is not believed to be high. Sanction busting by Iran friendly countries and commercial entities is in play and not easy to stop.

Militarily, the war with Iran was relatively subdued, but at the end of the month the US unleashed attacks along Iran's southern coast during which reportedly several people were killed. This was ostensibly on account of Iranian attacks on shipping in the Strait of Hormuz and on US troops deployed in the region. Iran counter-attacked US bases in Jordan, Kuwait and Bahrain. So far, wider hostilities have not resumed, although President Trump had again threatened that Iran could be hit much much harder.

Energy markets continue to face serious uncertainty and countries like India and of the Global South continue to pay the price. Uncertainty over the short and medium term future of the Gulf region will only add to the challenges facing India's development and security.

During the month, efforts by the mediators to bring about a settlement between Iran and the US did not yield real results, as demonstrated by the new economic sanctions policy announced by the US administration. It did though, help keep a lid on hostilities for most of the month. Oman and Iran worked on ways of keeping the Strait open. In spite of the hostilities, it was reported according to one estimate that 9 million bpd of oil moved in August against 17 million bpd in 2025 before the conflict began. But Iran shows no inclination to restore freedom of navigation in the Strait.

The unreliability of US security guarantees demonstrated by the Iran war and US actions in support of Israel in Gaza, among others, perhaps set in motion the felt need to try and establish a new security arrangement among select members of the Sunni Islamic world. This was manifest in the Makkah Joint Defence Agreement signed on August 07 among Saudi Arabia, Turkey and Pakistan. It provides for any armed attack against any of the three countries to be regarded as an attack against all three. Details of the agreement have not yet been revealed to be able to fully assess how this agreement will work and to judge whether it is intended to be an Islamic NATO. The respective strengths of the three partners do not need elaboration, nor does the long standing rivalry between Turkey and Saudi Arabia. A permanent secretariat is to be established in Saudi Arabia and headed by a Pakistani Secretary General for three years. Bangladesh and Egypt have reportedly shown interest in joining.

This new arrangement will need careful monitoring and counter measures by India. Turkey is a long standing ally and military supplier of Pakistan. Saudi Arabia will need to clarify its stance in the eventuality of an India-Pakistan conflict. Interestingly, this agreement provides an opportunity for India and Iran to work together.

There were two glaring examples of the neo-colonial mindset of the US administration.

Canada called off trade negotiations with the US on account of unacceptable last minute conditionalities that seriously impaired Canadian sovereignty. These

included: veto over strategic infrastructure partnerships, preemptive trade restrictions on non-US nations, elimination of cultural and language protections, priority allocation of Canadian energy, binding military and Arctic mandates, and elimination of buy-Canada procurement rules. Trump's reaction was to issue an executive order renaming Lake Ontario as Lake America.

Venezuela has been persuaded to grant 100 year concessions to develop 17 oilfields as a joint venture with the US government and a private US-backed Venezuelan oil exploration and production company, North American Blue Energy Partners. The oil fields are reported to have estimated reserves of 65 billion barrels of oil and account for 20% of that country's reserves. There are other onerous conditions as well. 35% equity in the company will be with the US Pentagon's Office of Strategic Capital and the US government has a guaranteed 20% of oil off-take at cost, and the right of first refusal to purchase the remaining 80%. A majority of the board members will be US citizens.

At the same time, US pressure for regime change in Cuba has ramped up. A secret Cuba Task Force was set up in the CIA during August, and has reportedly been given Priority 1 status alongside China, Russia and Iran. The focus is on delegitimising the activities of the Cuban elite. Pressure for economic liberalisation was sustained and sanctions expanded in the energy and financial sectors. The energy sanctions are hitting Cuba hard and the humanitarian consequences are growing. Cuba's traditional supporters and energy suppliers are unwilling or unable to take up the challenge.

The war in Ukraine continued to grind on and while Ukraine held its ground and inflicted very serious losses on Russian energy, military airfields, military industrial infrastructure and consumer suppliers deep within Russia with its long range drones, it was unable to defend its cities including Kiev for lack of air defence interceptors, ammunition shortages, financial constraints etc. Plus, Russian attacks increased in intensity and became more indiscriminate. Ukrainian civilian casualties mounted. Russia also targeted Ukrainian ports, grain storage facilities, logistics networks etc.

Regrettably there was no real US effort to bring the hostilities to an end. Washington fiddled while Kiev burnt. Europe continued to support Ukraine to the extent it could.

Russia reportedly turned down a Turkish-Ukrainian proposal to stop targeting maritime facilities in the Black Sea. This will impact the global grain and energy trade and developing countries.

Both Russia and Ukraine are hurting and so is the global economy; the Global South and Europe in particular. Ukraine remains a pawn on the Eurasian chessboard.

In another move that has no doubt greatly disturbed US allies in East Asia and raised eyebrows in Beijing, President Trump announced on August 17 that DPRK leader Kim Jong Un had responded to his outreach and also announced his decision to

substantially reduce the scale of the annual US-ROK military exercises as they were deemed unnecessarily provocative while the DPRK had been “unthreatening and respectful”. He also announced his intention to meet Kim later in the year and that DPRK now had 57 nuclear warheads. The DPRK’s response has reportedly been non-committal.

Does this, in effect, mean that the US now acknowledges that the DPRK is a nuclear weapon state? Time will no doubt tell but the implications, in particular for Japan and ROK, are clear and will warrant appropriate counter measures. The pressure on them to acquire nuclear weapons will grow. China and Russia will also be impacted by any rapprochement between DPRK and the US, and are unlikely to quietly stand by. The Trumpian policy of destabilising continues and could have dangerous consequences.

The situation in Gaza fortunately did not deteriorate too much from the military/ceasefire perspective but the humanitarian situation remained dire. PM Netanyahu rejected the Board of Peace plan on Gaza in early August that had proposed that Hamas would progressively decommission its weapons with staged Israeli withdrawals following verification of disarmament. Israel will not agree until Hamas is first disarmed. Kushner, in a first, met with Hamas representatives in Cairo but was unable to make progress with Israel.

At the same time, Israel strengthened its occupation of the West Bank.

Similarly, Israel was not willing to withdraw from southern Lebanon until Hezbollah is fully disarmed, while the latter is not willing to play ball. Peace remains a distant dream for Lebanon as of now, since the Lebanese are unable or unwilling to disarm Hezbollah.

The Palestinians continue to wait and suffer.

In Syria, the government of President Al-Sharaa continued to consolidate. The Kurdish Syrian Democratic Forces agreed to integrate into the Syrian armed forces. This move made Ankara happy. During the month, the US removed Syria from its list of State Sponsors of Terrorism. This opens the doors for greater economic engagement. However, Israeli distrust of Syria persisted and Israel conducted air strikes in northern Syria due to suspicion over growing Syria-Turkey military collaboration. The US mediated talks between Syria and Israel, both important pegs in US policy in the wider region.

At the same time, Syria and Russia agreed on August 09 over the future of the two important Russian facilities in Syria, the Hmeimim airbase and Tartus naval base. Syria will now regain control over civilian operations in the former and the latter would become a joint training and capacity building centre. This is a reflection both of the importance of Syria for the major powers and Syria’s desire to not antagonise Russia while building its bridges with the US and Europe.

The Ebola epidemic in the Democratic Republic of Congo continued to spread. By the end of the month, according to estimates, more than 3,000 deaths and over 6,100 case were confirmed. Six provinces have now been affected. Transmission continues. Fortunately, WHO has assessed the risk to the rest of Africa and the world as being low.

The 26th Heads of State summit of the Shanghai Cooperation Organisation was held in Bishkek on September 01. Among others, PM Modi and Presidents Xi and Putin attended. It was an important gathering, particularly in the context of the present state of international relations.

The Bishkek Declaration can be seen as an effort to chart the way forward for the next 25 years of the organisation. It emphasises reform of the international system of governance, multipolarity, sovereign equality including in decision making, condemnation of US and Israeli military strikes against Iran, support for Palestine, commitment to the establishment of Afghanistan as an independent, neutral and peaceful state, commitment to combat terrorism/separatism/extremism, unacceptability of double standards in combatting terrorism, need for greater trade/economic/financial cooperation, energy security, cooperation in AI and digital technologies, cyber and information security etc.

During his stay in Bishkek, PM Modi also separately met with the Presidents of Kyrgyzstan, Iran, Armenia and Russia.

India attaches importance to the SCO even though it is not a founding member. Central Asia is of significance to India and its presence in SCO also enables the other members to have a foil vis-a-vis both China and Russia. The challenge is for India to substantially enhance its participation in the economic development of the Central Asian states, Iran and Afghanistan.

India has reason to be satisfied with its participation in the Bishkek summit which preceded the more broad based BRICS Summit to be in Delhi on September 12-13. Substantive preparations have been made for the latter with a series of ministerial BRICS conclaves covering the environment, trade, education, industry, health, labour and employment, transport, energy and agricultural issues etc. The BRICS Foreign Ministers have also met.

The Nepal-Tibet catastrophe of August 26 witnessed a cross border collapse of a glacier in Tibet followed by unimaginably massive and destructive flooding in Nepal that caused huge casualties and destruction of properties, hydro power and other infrastructure, agriculture and livelihood for tens of thousands. According to Reuters, as on September 04, more than 1,250 deaths and 4,200 missing have been reported on the Nepal side. These numbers may well rise. China has reported 21 dead and 541 missing.

India has announced and provided substantial assistance and whatever more is needed is on offer.

The Nepal flood disaster has serious implications for India, as many Nepalese rivers flow into India. It is also yet another warning that the incessant infrastructure development and water management/diversion projects under way in Tibet have serious geological and disaster-causing implications for both Nepal and India, in addition to Tibet. There is thus urgent need for China to be more forthcoming on the geological and related implications of projects it is undertaking in Tibet, including with fulsome sharing of hydrological data and providing advance warnings of build up of glacial lakes, weakening of glaciers etc.

The Special Representatives of India and China on the Boundary Question met for their 25th session in Beijing on August 25. After unilateral press releases by the two sides, a joint eight point press release was issued on August 26 which has created some controversy in India in its reference to advancing discussions on an early and substantial harvest on boundary delimitation and border management by respective groups constituted under the WMCC. The first task, though, is for these two groups to agree to their terms of reference which would no doubt be difficult to negotiate.

Early harvest is really a non-starter that has reared its head several times in the past and is not consistent with Article III of the 2005 agreement on principles etc. for a boundary settlement, which specifies that the settlement must be final, covering all sectors of the boundary. But the effort seems to have been, inter alia, to show some notional forward movement before the BRICS Summit in Delhi in September, taking into account the implications of the ongoing wars in Iran and Ukraine as also the neocolonial and idiosyncratic approach of the Trump administration to international political, economic and security relations. Besides, any final border settlement will have to be consistent with the publicly announced 2005 Agreement on the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question.

Former Bangladesh PM Sheikh Hasina's announcement on August 05, in an online press conference with the Foreign Correspondents Club of South Asia in Delhi, that she intends to return to Bangladesh by the end of 2026 irrespective of the consequences for her, has set the cat amongst the pigeons in Dhaka. She has been living in exile in India since her ouster in August 2024. Dhaka has rejected her plan. The latter is a strange reaction since the present elected government and its transitional predecessor have been seeking her extradition to Bangladesh for trial as a convicted mass murderer. Irrespective, this is another problem for the government of India to tackle. If she does return, the international community would have to ensure that she gets a fair trial.

PM Modi paid a state visit to Uzbekistan on August 29-30, before going on to Kyrgyzstan for the SCO summit. During the visit, the bilateral partnership was elevated to a Comprehensive Strategic Partnership. This is an important development which should have happened much earlier, not simply because of the importance of Uzbekistan in Central Asia but also on account of our historical connect with it and opportunities for fruitful collaboration in multidimensional areas.

A detailed joint statement was issued. It covers political and security cooperation, including on terrorism & defence industry; trade, economic and investment cooperation; energy, natural resources and supply chains; agriculture; digital technologies, innovation and space cooperation; education, HRD, healthcare, culture, tourism; and cooperation on international issues.

In the press briefing on the outcomes of the visit, the Ministry of External Affairs conveyed that positive discussions were held, inter alia, on a long term arrangement for supply of uranium to India and an agreement should be signed shortly; bilateral trade is to grow to USD 5 billion by 2030; UPI will be rolled out in Uzbekistan; collaboration in critical minerals is to grow; Indian participation in infrastructure will grow; so too in health, logistics, education and agriculture. Delivering on these objectives will require serious follow up in India.

Much has still to be done to catch up on time lost to deepen partnerships with Uzbekistan and other Central Asian states. The onus for much of this lies on Indian industry and business.

September will see India host the BRICS summit. Xi Jinping will visit Washington. So far there are no signs of settlements in the wars in Ukraine, Iran and of the situation in Gaza etc. US policies are self serving, unilateral and unpredictable. East Asia faces an uncertain time. India's neighbourhood is complicated. India has to continue its principled policy of managing multiple international conundrums and strengthening its domestic capacities.



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